

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WEST LAUREL WATER)
ASSOCIATION ORGANIZED PURSUANT TO)
CHAPTER 273 OF THE KENTUCKY REVISED)
STATUTES OF LAUREL COUNTY, KENTUCKY,) CASE NO. 9426
FOR A CERTIFICATE OF PUBLIC CON-)
VENIENCE AND NECESSITY, AUTHORIZING)
AND PERMITTING SAID WATER ASSOCIATION)
TO INCREASE ITS RATES)

O R D E R

IT IS ORDERED that West Laurel Water Association, Inc., ("West Laurel") shall file an original and 8 copies of the following information with this Commission, with a copy to all parties of record, by June 13, 1986, or within 2 weeks after the date of this Order, whichever is later. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. In reference to the "Operating Expense" of \$124,063.35, and the "Treatment and Distribution Expense" of \$61,106.22, provide a detailed analysis of any test-year expenses that are not representative of a typical operating period.

2. In numerous past cases, the Commission has disallowed depreciation of facilities provided through Contributions in Aid of Construction for rate-making purposes. Provide any evidence deemed necessary as to why this rate-making practice should not be applied in this case.

3. Provide a detailed explanation of "Other Income-Interest" of \$11,672.65. Include in your discussion the amount of investment, type of investment, length of investment, return on investment and where invested.

4. Provide a schedule of the principal, interest and reserve requirements of the \$500,000 FmHA loan for the financing of the proposed project.

5. Provide a copy of Form FmHA 442-46 - "Letter of Intent to Meet Conditions" in connection with the proposed financing.

6. Provide a discussion of the steps taken by West Laurel to reduce the \$33,700.79 expense for maintenance of mains.

7. Please explain why the totals on the 12 Month Financial Statement, July 1984 - June 1985, Exhibit B, differ from the Operating Revenue Per Book, Exhibit D, and the monthly Billing Analysis.

Done at Frankfort, Kentucky, this 2nd day of June, 1986.

PUBLIC SERVICE COMMISSION

Charles D. Henson Jr.
For the Commission

ATTEST:

Secretary